

# USPTO Implementation of the America Invents Act



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# America Invents Act

## Goals of Patent Reform Legislation

- Encourage innovation and job creation
- Support USPTO's efforts to improve patent quality and reduce backlog
- Establish secure funding mechanism
- Provide greater certainty for patent rights
- Provide less costly, time-limited administrative alternatives to litigation



# Implemented Provisions

(Effective on September 16, 2011 or within 60 days)

	<b>AIA Provision</b>	<b>Implementation Documents</b>
<b>1</b>	Change in inter partes reexamination standard	Revision of Standard for Granting an Inter Partes Reexamination Request, 76 Fed. Reg. 59055 (Sept. 23, 2011)
<b>2</b>	Tax strategies are deemed within the prior art	Memo to Examiners, Sept. 20, 2011
<b>3</b>	Best mode	Memo to Examiners, Sept. 20, 2011
<b>4</b>	Human organism prohibition	Memo to Examiners, Sept. 20, 2011
<b>5</b>	Prioritized examination	Changes to Implement Prioritized Examination Track (Track I) of the Enhanced Examination Timing Control Procedures Under the Leahy-Smith America Invents Act, 76 Fed. Reg. 59050 (Sept. 23, 2011)
<b>6</b>	15% transition surcharge	Notice of Availability of Patent Fee Changes Under the Leahy-Smith America Invents Act, 76 Fed. Reg. 59115 (Sept. 23, 2011)
<b>7</b>	Electronic filing incentive	Notice of Availability of Patent Fee Changes Under the Leahy-Smith America Invents Act, 76 Fed. Reg. 59115 (Sept. 23, 2011); and Fee for Filing a Patent Application Other than by the Electronic System, 79 Fed. Reg. 70651 (Nov. 15, 2011)



# Prioritized Exam Stats

(as of 1/24/12)

	<b>Petitions Filed</b>	<b>Days to Petition Decision</b>	<b>% Petitions Granted</b>	<b>Days from Petition to first Office action</b>
Total Numbers	2009	42.5	99	35

<b>Examination Status</b>	<b>First Action on Merits mailed</b>	<b>Final Dispositions mailed</b>	<b>Number of Allowances of Final Dispositions</b>
Number of Track 1 applications	855	3	41



# Prioritized Exam

## (Effective September 26, 2011)

- Original utility or plant patent application accorded special status for expedited examination if:
  - \$4,800 fee, reduced by 50% for small entity;
  - no more than 4 independent claims, 30 total claims, and no multiple dependent claims; and
  - must file application electronically (utility application)
- Does not apply to international, design, reissue, or provisional applications or in reexamination proceedings
- May be requested for a continuing application when filed, now also available for RCEs



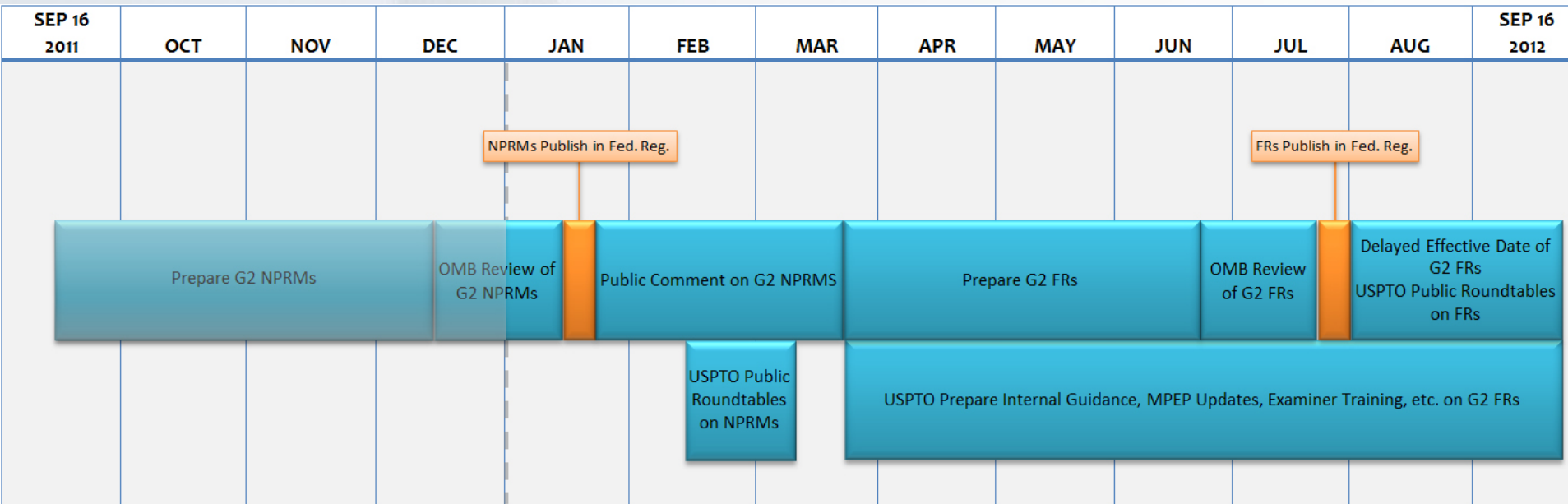
# Proposed Rules in Progress (12 Month timeline)

<b>NPRMs Published as of January 25, 2012</b>	<b>NPRMs Awaiting Final Clearance</b>
Inventor's oath / declaration	Inter partes review
Third party submission of prior art in a patent application	Post grant review
Citation of prior art in a patent file	Transitional program for covered business method patents
OED Statute of Limitations	Derivation
Supplemental examination	





# 12 Month Timeline





# Inventor's Oath or Declaration

(Effective September 16, 2012)

- *Changes To Implement the Inventor's Oath or Declaration Provisions of the Leahy-Smith America Invents Act, 77 FR 982 (Jan. 6, 2012)(proposed rule)*
  - Comment period closes on March 6, 2012
- Inventors are still required to execute an oath or declaration, but the requirement can be met by an assignment if:
  - It includes the statements required by § 1.63;
  - A copy of the assignment is filed in the application; and
  - Assignment is recorded against the application





# Inventor's Oath or Declaration

## (Cont.)

- **35 U.S.C.115 (as amended) Inventor's oath or declaration**
  - (a) .... Except as otherwise provided in this section, each individual who is the inventor or a joint inventor ... shall execute an oath or declaration in connection with the application.
- **35 U.S.C. 118 (as amended) Filing by other than the inventor**
  - A person to whom the inventor has assigned or is under an obligation to assign may make an application for patent...
- **Reading 35 U.S.C. 111, 115 and 118 together**, the import of the AIA statutory change is that ***assignee filing is permitted in certain instances where it is not possible or practical to obtain an inventor's signature.*** In all other instances, 35 U.S.C. 115 commands that an inventor execute an oath/declaration.
- **AIA Legislative History** reveals an intent to simply make it easier for assignees (and obligated assignees) to file applications in situations when an inventor is unavailable or unwilling to sign the oath or declaration.



# Inventor's Oath or Declaration

## (Cont.)

- Identification of an inventor's citizenship is no longer required
- Averment as to lack of deceptive intent is no longer required
- Oath or declaration from a prior application in a benefit chain may be used in continuing applications (including continuation-in-part applications):
  - Provided the relevant averments therein continue to be applicable to the continuing applications



# Preissuance Submissions by Third Parties (Effective September 16, 2012)

- *Changes to Implement the Preissuance Submissions by Third Parties Provision of the Leahy-Smith America Invents Act, 77 FR 448 (Jan 5, 2012)(proposed rule)*
  - Comment period closes on March 5, 2012
- Preissuance submission may be made in any:
  - Nonprovisional utility, design, or plant application;
  - Continuing or reissue application; and
  - Even in abandoned or unpublished applications
- Applies to any application filed before, on, or after September 16, 2010



# Preissuance Submissions by Third Parties (Cont.)

- Content of submission:
  - May include patents, published patent applications, and other printed publications, or portions thereof; and
  - Not limited to prior art
- Absent a request by the Office, applicant has no duty to, and need not, reply to a submission



# Proposed Rules for Preissuance Submissions

- A list of documents - new form to be provided to facilitate the listing;
- A concise description of the asserted relevance of each listed document
  - Best practice is to point out relevant pages or lines, figures or paragraphs;
- Legible copies of documents, except for:
  - U.S. patents and U.S. patent application publications;
- An English language translation for any non-English language document;
- A statement by the person making the submission that:
  - The party is not an individual who has a duty to disclose information with respect to the application under 37 CFR 1.56; and
  - The submission complies with 35 U.S.C. 122(e) and 37 CFR 1.290





# Proposed Rules for Preissuance Submissions

- Application number to which the submission is directed must be identified
- Fee of \$180 would be required for every 10 documents or fraction thereof listed
- But fee is waived where:
  - 3 or fewer total documents submitted; and
  - Submission is the first and only preissuance submission submitted in the application by the submitter or party in privity therewith





# Misc. Post Patent Provisions

(Effective September 16, 2012)

- *Changes To Implement Miscellaneous Post Patent Provisions of the Leahy-Smith America Invents Act, 77 Fed. Reg. 442 (Jan. 5, 2012) (proposed rule)*
  - Comment period closes on March 5, 2012
- Proposed rulemaking implements:
  - Estoppel provisions of sections 6(a) and 6(d), which bar a third party requester from filing or maintaining an *ex parte* reexamination on the same patent after a final decision has issued in a post grant or *inter partes* review that was requested by the same third party; and
  - Section 6(g), which expands the scope of information that may be submitted in an issued patent



# Proposed Rules for Estoppel (cont.)

- A request for *ex parte* reexamination must:
  - include a certification by the third party that the requester is not estopped from requesting an *ex parte* reexamination; and
  - sufficiently identify the real party(ies) in interest to the extent that the USPTO can recognize when a requester can no longer maintain an *ex parte* reexamination



# Proposed Rules for Patent Owner Claim Scope Statements (cont.)

- Patent owner statements may be submitted into the file history of the patent if:
  - statement was filed in a proceeding before a Federal court or the USPTO; and
  - patent owner took a position on the scope of any claim of the patent
- Each statement submitted must be accompanied by documents, pleadings, and evidence (from the proceeding in which the statement was filed) addressing the statement



# Proposed Rules for Patent Owner Claim Scope Statements (cont.)

- A party submitting a patent owner statement must include an explanation of how the statement and additional information are pertinent to the patented claim(s)
- A patent owner submitting such a statement may provide an explanation as to how the claims are patentable over the statement and additional information



# Supplemental Examination

(Effective September 16, 2012)

- Rule published in the Federal Register January 25, 2012.
- Patent owner may request **supplemental examination** of a patent to “*consider, reconsider, or correct information*” believed to be relevant to the patent; if a validity issue is raised within 3 months from the request, the USPTO will reexamine the patent. Prompt elimination of invalid patent claims.
- **No inequitable conduct allegations** can be based upon the information **considered, reconsidered, or corrected** during a supplemental examination.
- Provides an alternative to having a court consider misconduct and validity issues in a later patent infringement litigation.





# Contested Case Proceedings

(Effective September 16, 2012)

- **Expected Publication January 30<sup>th</sup> or 31<sup>st</sup>**
- *Inter partes* reexamination
  - Modified by AIA
  - Phasing out
- *Inter partes* review
  - Will replace *inter partes* reexams, but there will be overlap for years
- Post-grant review (PGR)
- Transitional program for business method patents





# Inter Partes Review

(Effective September 16, 2012)

- Filed 9 months after grant of patent
- Seek to cancel claims based on §§ 102, 103 using patents or printed publications; and
- Demonstrate reasonable likelihood that petitioner will prevail on at least one claim challenged



# Inter Partes Review (Cont.)

- Who may file:
  - Third party who has not previously filed a civil action challenging the validity of a claim of the patent
  - Petition must be filed within 1 year of service of complaint alleging infringement
    - Estoppel provisions



# Post-Grant Review

(Effective September 16, 2012)

- Generally limited to patents issuing from first-inventor-to-file applications
- Filed within 9 months after grant of patent
- Seek to cancel claims based on any ground that could be raised under paragraph (2) or (3) of § 282(b) relating to invalidity)
- Demonstrate that it is more likely than not that petitioner will prevail on at least one claim challenged or raises novel question that is important to other patents or publications



# Post-Grant Review (Cont.)

- Who may file:
  - Third party who has not previously filed a civil action challenging the validity of a claim of the patent
    - Estoppel provisions



# Covered Business Method Program (Effective September 16, 2012)

- Unlike PGR, available for patents issuing from applications filed under current first-to-invent system
- Applies only to covered business method patent that is currently in litigation
- Program sunsets 8 years after regulations issued
- Provides limitations on type of pre-AIA prior art that may be used
- Employs most post-grant review standards and procedures



# Quality: Contested Case Proceedings

(Effective September 16, 2012)

Proceeding	Petitioner	Available	Standard	Basis	Applicable	Estoppel	Timing
<b>Post Grant Review (PGR)</b>	Must identify real party in interest	Patent grant to 9 months from patent grant	More likely than not  OR  Novel or unsettled legal question important to other patents/ applications	101, 102, 103, 112, double patenting but not best mode	Patent issued under first-to-file	Raised or reasonably could have raised  Applied to subsequent USPTO/district court/ITC action	Must complete within 12 months from institution, with 6 months good cause exception possible
<b>Inter Partes Review (IPR)</b>	Must identify real party in interest	10 months from patent grant for life of patent or termination of a PGR; Director may limit number during first 4 years	Reasonable likelihood	102 and 103	Any patent pending on September 16, 2012	Raised or reasonable could have raised  Applied to subsequent USPTO/district court/ITC action	Must complete within 12 months from institution, with 6 months good cause exception possible





# Contested Cases

## Petition Phase

- Initiated by third party petition
- Patentee file preliminary response to petition
- USPTO must decide petition within 3 months from the patentee's response, if any

## Review Phase

- Patentee may file response with evidence
- Patentee has 1 motion to amend claims
- Petitioner may file written comments and supplemental information at least 1 time



# Contested Cases: Review Phase (cont.)

- Discovery available to both parties
  - IPR: USPTO to set standards for discovery of relevant evidence limited to:
    - Depositions of witnesses submitting affidavits or declarations; and
    - Otherwise necessary in the interest of justice
  - PGR: evidence directly related to factual assertions advanced by either party



# Contested Cases: Review Phase (cont.)

- Protective orders possible
- Oral hearing as a right
- Director may join petitioners and consolidate
- May be settled



# Contested Cases: Relationship to Parallel Litigation

- If petitioner files a declaratory judgment action:
  - Before PGR/IPR, then no PGR/IPR
  - After PGR/IPR, then automatic stay of litigation
- If patentee sues for patent infringement within 3 months of patent grant, then court may not stay a preliminary injunction motion in view of the PGR
- If petitioner seeks an IPR more than 1 year after being sued for patent infringement, then no IPR



# Covered Business Method Program

- Who may file:
  - Third party who has not filed civil action challenging patent but has been sued or charged with infringement
- Estoppel provisions



# Changes to Interferences

- Interferences are still in effect for:
  - Applications filed within 18 months of enactment and patents issuing therefrom; and
  - Applications having a claim at any time to claimed invention that has an effective filing date within 18 months of enactment, or contains or contained at any time a specific reference to §§ 120, 121, 365(c)





# Fee Setting Implementation

- Fee Setting Authority
  - Authority to set or adjust fees became effective on September 16, 2011
  - Authority to be exercised by rulemaking under 17 month timeline
  - Step 1 of rulemaking involves PPAC fee setting hearings
    - February 15, 2012 @ USPTO
    - February 23, 2012 @ Sunnyvale, CA



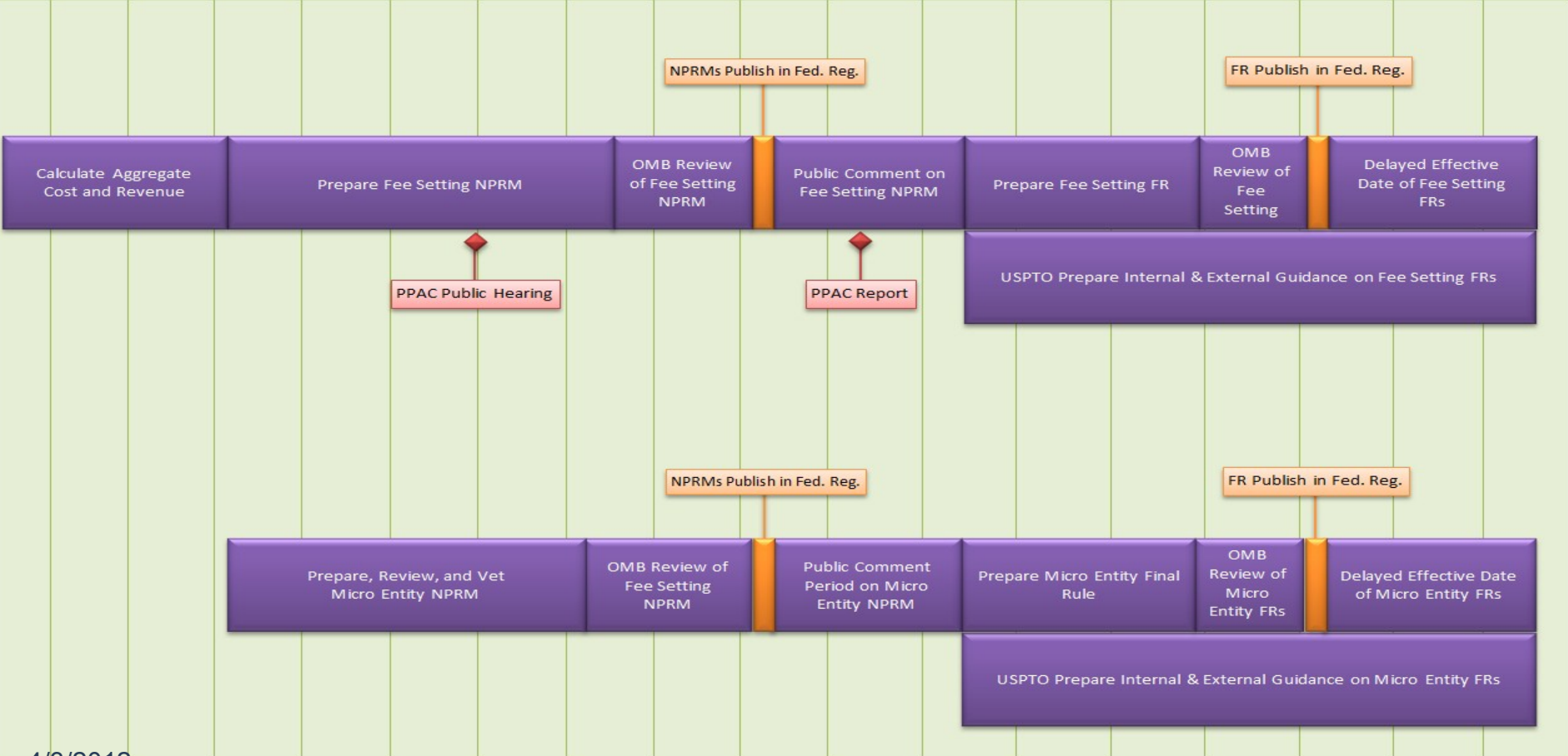
# Fee Setting 17 Month Timeline

SEPT 16, 2011

JAN 2012

JAN 2013

OCT NOV DEC FEB MAR APR MAY JUNE JULY AUG SEPT OCT NOV DEC FEB





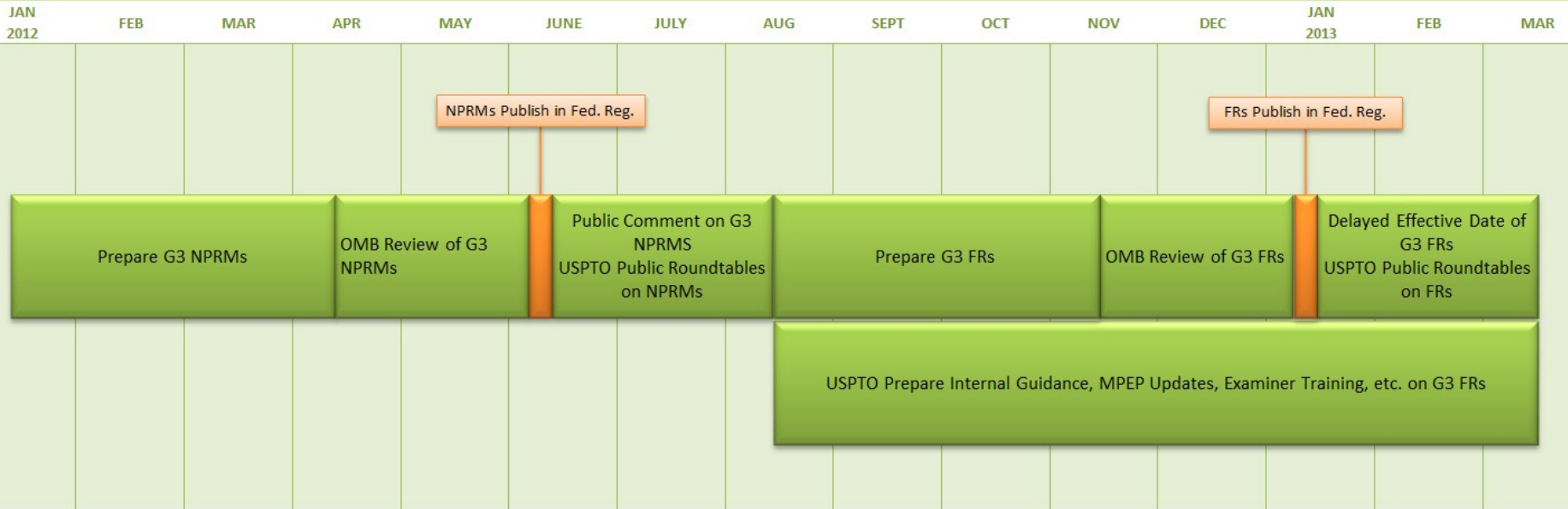
# Implementation in Future: 18 Month Timeline

(Group 3; Effective on March 16, 2013)

1. First-Inventor-to-File
2. Derivation proceedings
3. Repeal of Statutory Invention Registration



# 18 Month Timeline





# First-to-file

## (Effective March 16, 2013)

- Transitions the U.S. to a first-to-file patent system while maintaining a 1-year grace period for inventor disclosures
- Prior public use or prior sale anywhere qualifies as prior art (prior public use and sale is no longer limited to the U.S.)
- U.S. patents and patent application publications are effective as prior art as of their priority date (no longer limited to U.S. priority date), provided that the subject matter relied upon is disclosed in the priority application
- Applies to:
  - Claim with an effective filing date on or after March 16, 2013; and
  - Claim for benefit to an application that ever had a claim with an effective filing date on or after March 16, 2013





# Derivation

(Effective March 16, 2013)

- Petition must be supported by substantial evidence that the claimed invention was derived from petitioner
- Petition must be filed within one year of first publication of a claim to an invention that is the same or substantially the same invention as earlier application's claim to the invention
- Who may file:
  - Applicant for patent





# Progress Report: Studies

- 7 studies for USPTO to conduct as lead
- 2 studies completed

<b>Topic</b>	<b>Due Date from Enactment</b>
International Patent Protection for Small Businesses	January 16
Prior User Rights	January 16
Genetic Testing	9 months
Misconduct Before the Office	Every 2 years
Satellite Offices	3 years
Virtual Marking	3 years
Implementation of AIA	4 years



# Int'l Patent Protection for Small Businesses Study

- USPTO studied how the USPTO and other federal agencies can best financially help small businesses with patent protection overseas
- USPTO consulted with the Department of Commerce and the Small Business Administration
- Report (33 pages) timely submitted to Congress on January 13, 2012



# Int'l Patent Protection Report Recommendations

- Engage in diplomacy and harmonization to reduce the costs associated with filing foreign patent applications (e.g., via small entity discounts);
- Expand IP education and training for U.S. small businesses;
- Engage industry regarding how to best support U.S. small business efforts to patent internationally (e.g., corporate venture capital); and
- Collect more information and conduct further study regarding governmental financial assistance to U.S. small businesses (e.g., loan versus grant)



# Prior User Rights Study

- USPTO studied the operation of prior user rights (PUR) in other industrialized countries
- USPTO consulted with the United States Trade Representative, Secretary of State, and Attorney General
- Report (60-pages) timely submitted to Congress on January 13, 2012



# Prior User Rights Report Recommendations

- PUR defense in the AIA is consistent with that offered by major trading partners;
- No substantial evidence that PUR defense in the AIA will have a negative impact on innovation, venture funding, small businesses, universities, or independent inventors;
- U.S. should re-evaluate economic impact of PUR defense in “Implementation of AIA” report due to Congress in 2015;
- PUR defense is appropriate balance between trade secret protection and patent law; and
- U.S. patent law should provide for a PUR defense to address inequity inherent in a first-inventor-to-file system



# Genetic Testing Study

- USPTO to report on effective ways to provide independent, confirming genetic diagnostic tests where:
  - gene patents; and
  - exclusive licensing for primary genetic diagnostic tests
- Federal Register RFI to issue **January 25, 2012**
  - Hearings:
    - February 16, 2012 @ USPTO
    - March 9, 2012 @ University of San Diego School of Law
  - Written comments: late January to late March
- Report due by June 16, 2012





# Satellite Offices

- USPTO required to open 3 satellite offices in three years
- Initial office planned for Detroit; location secured and opening in Summer 2012
- Request for Comments on Additional USPTO Satellite Offices for the Nationwide Workforce Program, 76 Fed. Reg, 73601 (Nov. 29, 2011)
  - Written comments due by **January 30, 2012**



# Pro Bono Program

- Minnesota program running
- Task Force formed to expand the program to other cities; USPTO participating
- First meeting held on October 21, 2011



# AIA Micro-Site

The USPTO website devoted to America Invents Act legislation

One-stop shopping for all America Invents Act information.

The full text of the bill and summary documents, including all the legislative history

Implementation plans

Announcements

Contact Information



President Barack Obama signs the America Invents Act, Friday September 16, 2011, at Thomas Jefferson High School for Science and Technology in Alexandria, VA

<http://www.uspto.gov/AmericaInventsAct>

# Thank You

